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June 18, 2002

BY MESSENGER
Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

> Re: *CC 02-53, CCB/CPD File No. 01-12, RM-10131,*
> *Presubscribed Interexchange Carrier Charges*

Dear Ms. Dortch:

Attached please find a corrected copy of the Comments Verizon filed Friday, June 14, 2002 in the above-captioned proceedings. When combining documents for the final filing, the line numbering of pages 4 and 5 in attachment F was inadvertently continued from a previous section. The attached document corrects the line numbering on these pages. No other change has been made.

Please substitute this corrected copy for the one filed Friday, June 14, 2002. We apologize for any inconvenience caused by this incident.

Thank you for your attention to this matter. If you should have any questions please do not hesitate to call me at (703) 351-3037.

Sincerely,

Joseph DiBella

Attachment

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of Presubscribed Interexchange Carrier Charges	CC Docket No. 02-53 CCB/CPD File No. 01-12 RM-10131

COMMENTS OF VERIZON[1]

The Commission should retain the existing $5.00 "safe harbor" for setting the level of

presubscribed interexchange carrier ("PIC") change charges. The current benchmark continues

to be reasonable in light of comparable market-based rates and of the electronic and manual

procedures that must be carried out by the local exchange carrier to change a customer's

preferred interexchange carrier and conduct other activities related to PIC changes. The $5.00

nationwide standard promotes rate averaging in the long distance market and avoids the

administrative costs of conducting numerous tariff investigations and complaint proceedings.

Moreover, since current price cap rates were initialized to recover the residual costs not

recovered through the $5.00 rate, if that rate were reduced, the residual revenues would have to

be recovered from all customers in the form of usage-based and per-line rates. If the

Commission does not retain the existing safe harbor, it should not establish an arbitrarily low

benchmark based on a selective use of filings in other proceedings, as advocated by some parties.

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[1] The Verizon telephone companies ("Verizon") are the affiliated local telephone companies
of Verizon Communications Inc. These companies are listed in Attachment A.

Rather, it should allow the local exchange carriers to file revised tariffs based on their actual costs. The carriers should be allowed to include all costs related to PIC changes, including the costs of administering applying and removing PIC freezes and the costs of administering complaints of slamming by unauthorized interexchange carriers.

I.   The Commission Should Retain The $5.00 Safe Harbor.

The current $5.00 safe harbor is reasonable in light of market conditions and the purposes of the PIC change charge. The $5.00 charge was never based purely on cost, nor should it be. Although the charge is assessed on end users, interexchange carriers generally have absorbed the charge on behalf of end users as part of the other financial incentives that they offer customers to change carriers. Moreover, it is consistent with rates set by states for changes in intraLATA PICs as well as for "in-place" conversions of retail services to resale.

Preliminarily, it should be noted that while the PIC change charge is outside of price caps, the revenues that are derived from this charge were taken into account in setting the initial price cap rates. Price cap rates were initialized based on the rates that were established in the last rate-of-return proceeding, the 1990 Annual Access Tariff Proceeding. *See LEC Price Cap Order*, 5 FCC Rcd 6786, ¶ 232-233 (1990). Under rate of return, rates are set so that total projected revenues equal total projected costs. Revenues for prescribed rates, such as the PIC change charge, are subtracted from total costs, and the rates for remaining services are set at a level to cover the remaining costs. For this reason, if the PIC change charge had been set at a level lower than $5.00, other access rates, such as local switching charges, carrier common line charges, and subscriber line charges, would have been set higher to recover the difference in PIC change revenues. For example, when BellSouth reduced its PIC change charge to $1.49, it did so

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in the 1990 Annual Access Tariff Proceeding, so that the reduced revenues were recovered in other access rates that formed the starting point under price caps. *See Presubscribed Interexchange Carrier Charges*, 17 FCC Rcd 5568, ¶ 7 (2002). If other carriers were required to reduce their PIC rates at this time, equity would require that the Commission allow the carriers to recover the lost revenues in exogenous increases to their price cap rates.

However, there is no need to take this step, since the current $5.00 charge is a reasonable method of recovering the costs of PIC change orders, and these costs should be recovered from customers that change interexchange carriers rather than being spread among all users. The charge is minimal compared to the financial incentives that long distance carriers typically offer to entice customers to change carriers. Interexchange carriers routinely absorb the charge on the customer's behalf in addition to incentives such as $100 bonuses, free minutes, and waivers of other fixed charges. The near universality of the interexchange carriers' willingness to pay it on behalf of their newly won customers reflects the fact that it does not inhibit their ability to market their services. Indeed, the churn rate for presubscription is approximately 30 percent in the Verizon region. This shows that the $5.00 rate has not prevented customers from switching carriers.

The rate also is reasonable compared to rates set by state agencies for intraLATA PIC changes and in-place conversions of local exchange carriers under resale. Attachment B hereto provides a calculation of the average intraLATA PIC change charges in the Verizon states. Most states have adopted a $5.00 charge, and the weighted average rate is $4.32. Attachment C provides a list of the state rates for converting a retail local exchange account to another billing name and address (*i.e.*, a transfer of service) or for an "as-is" conversion of a retail account to a

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reseller account. For residential accounts, the charges for transfers of service range from $6.12 to $28.25 in states that have established such charges.[2] The charges for conversions from retail to resale range from $4.92 to $32.44, including the additional discount that Verizon agreed to offer as part of the Bell Atlantic/GTE merger. This shows that even the lowest of the charges for making an "in-place" change in the customer's local exchange carrier is about the level of the $5.00 PIC change charge. The Commission should use these proxies to confirm the reasonableness of the current safe harbor.

The $5.00 rate also has served to promote the rate averaging goal of section 254(g) of the Act by giving the interexchange carriers a uniform charge that they can include in their marketing costs if they have a policy of absorbing this charge for their customers. If PIC change charges varied widely by carrier, it could complicate the carriers' efforts to develop uniform nationwide pricing plans. Although the charge is not a significant factor compared to total revenues from long distance services, a uniform charge makes it easier for the carriers to offer the same financial inducements for customers to switch carriers throughout the country.

II. If The Commission Requires The Local Exchange Carriers To Establish Cost-Based Rates, It Should Include All Relevant Costs.

If the Commission decides to establish a new safe harbor based on current costs or if it requires the local exchange carriers to file new cost-based rates, the Commission should allow the carriers to recover all relevant costs, including the costs of implementing the PIC change, PIC freeze administration costs, and the costs associated with interexchange-initiated slamming.

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[2] In the Verizon East region, Virginia and D.C. have no charge for changes in billing customer name and address or resale conversions.

Cost-based rates should also include recovery of joint and common costs and a reasonable allocation of overhead costs.

First, the PIC change charge should recover the direct costs of both electronic and manual processing of PIC change orders.[3] The Commission requests (at NPRM, ¶ 16) that the carriers identify all individual functions that make up the PIC change process. Attachment D provides a narrative description of the PIC change process for both manual and electronic orders. Attachment E provides a description of the systems involved in processing PIC change orders. Attachment F provides flow charts and descriptions of the steps involved in PIC change orders that are submitted by end user customers to the Verizon service center. The work activities include the service representative entering the order into the Ordering System, updating of the PIC database, implementing the PIC change in the switch, updates to the line and directory numbering assignment system, notification to the interexchange carrier, and entry into the billing system. Attachment G provides a flow chart and description of the processing of PIC change requests initiated by interexchange carriers. This includes the carrier entering the order directly into Express Electronic Access ("XEA") via the on-line screen, by paper through the Equal Access Point of Contact ("EAPOC"), or by batch file. If the request passes the required edits, it is sent to Switch Manager, which sends it to the switch for the PIC change. Once the change is made, the confirmation is sent back to XEA and a notice is sent to the interexchange carrier, and the related databases are updated.

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[3] Although most PIC change orders are submitted by interexchange carriers through electronic interfaces, a substantial portion of orders come from end users through the business offices, and a portion of the electronic orders as well fall out of the electronic system for manual intervention. Approximately 44 percent of PIC change orders in the Verizon region require manual processing.

Second, the charge should include recovery of joint and common costs and a reasonable allocation of overhead costs. The PIC change charge should make a reasonable contribution to the recovery of these costs, as do other similar services that, together, cause the carriers to incur these costs. The labor rates used to calculate direct costs only include wages and benefits, taxes, etc. Direct labor costs do not include various overhead costs such as executive and planning, accounting, and human resources, which support all activities. Similarly, the direct costs of the computer systems that are used in PIC processing do not include general support facility costs such as land and buildings, general-purpose computers, furniture, etc. A reasonable allocation of these costs as well should be assigned to the PIC change charge.

Third, the PIC charge should recover the costs of administering PIC freezes, including the costs of entering the PIC freeze and removing it when a customer changes interexchange carriers. Customers request PIC freezes to prevent unauthorized changes of their presubscribed carrier, usually after having experienced the negative effects of being "slammed." Local exchange carriers normally do not charge for PIC freezes, as customers would resist paying for protection from the improper activities for which they are not responsible, but which cause them great inconvenience. This practice should continue. As the Commission observed in its Second Report and Order on slamming,

> we remain convinced of the value of the preferred carrier freezes as an anti-slamming tool. We do not wish to limit consumer access to this consumer protection device because we believe that promoting consumer confidence is central to the purposes of section 258 of the Act.[4]

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[4] *Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers*, 14 FCC Rcd 1508, ¶136 (1998).

These costs would not be incurred unless unscrupulous or careless carriers took advantage of their ability to initiate PIC changes through the local exchange carrier's systems to carry out unwanted changes in the customers' choices. The PIC freeze is an essential tool in giving customers a preventive remedy and assurance that they will be in control of their choice of carriers. Consequently, the costs of administering PIC freezes should be included in the PIC change charge.

The PIC change charge also should include the costs incurred by the local exchange carrier in resolving slamming complaints where the local exchange carrier is not at fault. In this situation, the local exchange carrier is performing the function of "executing carrier" and is not the cost causer. For this reason, the local exchange carrier should not be required to recover this cost from customers outside of the PIC change process. Since resolving slamming complaints involves correcting the customer's PIC back to its authorized carrier, these costs should be recovered in the PIC change charge.

The Commission should retain the current rate structure for the PIC charge by having a single rate that applies to each requested PIC change. The Commission asks for comment on whether a higher charge should be assessed on a customer that requests "excessive" PIC changes. *See* NPRM, ¶ 17. If the PIC charge is based on per-change costs, there is no need for a higher charge – the carrier will recover its costs regardless of whether a customer requests a few changes or many. The current charge is high enough to discourage customers from initiating an unnecessarily high number of PIC changes, and there is no evidence that customers have been irresponsible in ordering PIC changes. The Commission should not try to decide how many changes of interexchange carriers is too much – that should be left to the market. The same PIC

change charge should apply regardless of whether the customer has a PIC freeze, since the PIC freeze option helps support the integrity of the entire PIC process, and the Commission should not discourage customers from using this protection as they see fit. In addition, the same charge also should apply regardless of whether the customer also orders a change in the intraLATA presubscribed carrier. The local exchange carriers incur additional costs when they must process an order for both interLATA and intraLATA PIC changes. Today, the state commissions decide whether their charges for intraLATA PIC changes should be lower if the customer simultaneously orders an interLATA PIC change. The Commission should continue to reserve this issue to the states.

Finally, if the Commission establishes a new safe harbor, it should not select an arbitrarily low rate that would practically force all carriers to file cost studies. For instance, the $1.49 rate filed by BellSouth in 1990 is well below the rates that were subsequently approved by state commissions. *See* Attachment B. If the Commission believes that a new safe harbor is necessary because costs have changed since the PIC change charge was first prescribed, it should base a new safe harbor on actual current cost data. In addition, if the newly-prescribed rate is below the current $5.00 rate, it should permit the price cap carriers to adjust their price cap rates to recover the difference in revenues.

Conclusion

For the foregoing reasons, the Commission should retain the current $5.00 safe harbor for

PIC change charges.

Respectfully submitted,

By: _Joseph DiBella_

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Dated: June 14, 2002

THE VERIZON TELEPHONE COMPANIES

The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc. These are:

Contel of the South, Inc. d/b/a Verizon Mid-States
GTE Midwest Incorporated d/b/a Verizon Midwest
GTE Southwest Incorporated d/b/a Verizon Southwest
The Micronesian Telecommunications Corporation
Verizon California Inc.
Verizon Delaware Inc.
Verizon Florida Inc.
Verizon Hawaii Inc.
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon South Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.

LINE	STATE	RATES			2001 VOLUMES: Carrier-Initiated (Carr) and End-user Initiated (EU)			
		PIC RATE	LPIC RATE	PIC/LPIC RATE	LPIC Carr	LPIC EU	LPIC Total	Weighted Avg
	A	B	C	D	E	F	G=E+F	H=C*(G/G56)
1	Alabama (Contel)	$5.00	$5.00	$10.00				
2	Alabama (GTE)	$3.20	$3.20	$6.40				
3	Alabama (Avrgd)	$3.98	$3.98	$7.95	130,424	45,750	176,174	$ 0.04
4	Arizona	$5.00	$5.00	$10.00	1,658	1,691	3,349	$ 0.001
5	California (Contel)	$5.00	$4.46	$7.23				$ -
6	California (WC)	$4.35	$4.35	$6.52				
7	California (GTE)	$4.46	$4.46	$6.69				$ -
8	California (Avrgd)	$4.51	$4.46	$6.74	988,400	644,017	1,632,417	$ 0.45
9	Connecticut	$5.00	$5.00	$5.00	6,934	3,419	10,353	$ 0.003
10	Delaware	$5.00	$5.00	$10.00	93,602	45,373	138,975	$ 0.04
11	Florida	$4.14	$4.14	$5.38	868,627	416,230	1,284,857	$ 0.33
12	Hawaii	$4.39	$4.39	$8.78	142,978	91,646	234,624	$ 0.06
13	Idaho	$4.35	$4.35	$8.70	57,981	23,871	81,852	$ 0.02
14	Illinois (Contel)	$3.86	$5.00	$8.86				$ -
15	Illinois (GTE)	$3.86	$3.86	$7.72				$ -
16	Illinois (Avrgd)	$3.86	$4.09	$7.95	337,676	100,203	437,879	$ 0.11
17	Indiana (Contel)	$5.00	$5.00	$5.00				$ -
18	Indiana (GTE)	$3.96	$3.96	$3.96				$ -
19	Indiana (Avrgd)	$4.17	$4.17	$4.17	400,780	135,357	536,137	$ 0.14
20	Kentucky (Contel)	$5.00	$5.00	$5.00				$ -
21	Kentucky (GTE)	$3.20	$3.20	$3.20				$ -
22	Kentucky (Avrgd)	$3.52	$3.52	$3.52	258,678	84,535	343,213	$ 0.07
23	Maine	$5.00	$5.00	$5.00	140,371	72,869	213,240	$ 0.07
24	Maryland	$5.00	$5.00	$10.00	737,957	361,485	1,099,442	$ 0.34
25	Massachusetts	$5.00	$5.00	$5.00	492,593	306,620	799,213	$ 0.24
26	Michigan	$3.91	$3.91	$7.82	308,692	135,703	444,395	$ 0.11
27	Missouri (Contel)	$5.00	$3.92	$8.92				$ -
28	Missouri (GTE)	$3.92	$3.92	$7.84				$ -
29	Missouri (Avrgd)	$4.73	$3.92	$8.65	142,246	79,619	221,865	$ 0.05
30	Nevada	$5.00	$4.46	$5.00	9,524	3,937	13,461	$ 0.004
31	New Hampshire	$5.00	$5.00	$5.00	123,293	61,489	184,782	$ 0.06

32	New Jersey	$5.00	$2.50	$5.00	923,151	627,382	1,550,533	$	0.24
33	New York	$5.00	$5.00	$5.00	572,080	485,326	1,057,406	$	0.32
34	North Carolina (Contel)	$5.00	$3.20	$8.20					
35	North Carolina (GTE)	$3.20	$3.20	$6.40					
36	North Carolina	$3.76	$3.20	$6.96	135,425	69,278	204,703	$	0.04
37	Ohio	$3.90	$3.90	$7.80	376,364	131,253	507,617	$	0.12
38	Oregon	$4.35	$4.35	$8.70	156,868	68,037	224,905	$	0.06
39	Pennsylvania (fBA)	$5.00	$5.00	$10.00	595,270	446,223	1,041,493	$	0.32
40	Pennsylvania (Contel)	$5.00	$5.00	$10.00				$	-
41	Pennsylvania (fGTE)	$5.00	$3.95	$8.95				$	-
42	Pennsylvania (fGTE Avrgd)	$5.00	$4.14	$9.14	160,329	85,233	245,562	$	0.06
43	Rhode Island	$5.00	$5.00	$5.00	92,198	43,201	135,399	$	0.04
44	South Carolina (Contel)	$3.20	$5.00	$8.20					
45	South Carolina (GTE)	$3.20	$3.20	$6.40					
46	South Carolina	$3.20	$3.41	$6.61	91,481	29,504	120,985	$	0.03
47	Texas (Contel)	$5.00	$5.00	$10.00				$	-
48	Texas (GTE)	$4.48	$4.48	$8.96				$	-
49	Texas (Avrgd)	$4.51	$4.51	$9.01	575,233	231,180	806,413	$	0.22
50	Vermont	$1.75	$5.00	$5.00	72,891	37,998	110,889	$	0.03
51	Virginia (fBA)	$5.00	$5.00	$10.00	720,034	396,255	1,116,289	$	0.34
52	Virginia (Contel)	$5.00	$3.20	$8.20				$	-
53	Virginia (GTE)	$3.20	$3.20	$6.40				$	-
54	Virginia (fGTE Avrgd)	$4.90	$3.20	$8.10	154,091	75,862	229,953	$	0.05
55	Washington, DC	$5.00	$5.00	$5.00	115,566	62,152	177,718	$	0.05
56	Washington, (Contel)	$5.00	$4.35	$5.00				$	-
57	Washington (GTE)	$4.35	$4.35	$4.35				$	-
58	Washington (Avrgd)	$4.42	$4.35	$4.42	327,780	134,371	462,151	$	0.12
59	West Virginia	$5.00	$5.00	$10.00	175,415	113,298	288,713	$	0.09
60	Wisconsin	$3.90	$3.90	$7.80	146,615	60,281	206,896	$	0.05
61	TOTAL				10,633,205	5,710,648	16,343,853		
62	**WEIGHTED AVERAGE VERIZON LPIC RATE**							$	**4.32**

Retail and Resale "Conversion-as-is" Charges

State	Residential Name & Address Change		Residential Resale Conversion		Residential with Merger Discount		Business Name & Address Change		Business Resale Conversion	
CT	$	9.17	$	7.42	$	7.24	$	30.25	$	24.47
DE	$	10.00	$	8.40	$	8.24	$	21.50	$	18.06
DC		N/C		N/C		N/C		N/C		N/C
ME	$	12.00	$	9.62	$	9.39	$	13.00	$	9.91
MD	$	14.00	$	11.22	$	10.94	$	24.75	$	19.82
MA	$	7.60	$	5.70	$	5.51	$	34.71	$	26.03
NH	$	11.00	$	9.10	$	8.91	$	11.00	$	8.93
NJ	$	28.25	$	23.44	$	22.95	$	58.56	$	48.58
NY	$	10.00	$	8.09	$	7.90	$	35.90	$	29.04
PA	$	12.00	$	9.19	$	8.91	$	27.75	$	21.25
RI	$	6.12	$	5.03	$	4.92	$	7.67	$	6.58
VT	$	8.90	$	7.28	$	7.12	$	14.10	$	10.43
VA		N/C		N/C		N/C		N/C		N/C
WV	$	12.05	$	10.24	$	10.06	$	28.50	$	24.21

PIC Change Process Flow

Verizon, the Local Exchange Company (LEC), accepts and processes Primary Interexchange Carrier (PIC) change requests: 1) directly from end user customers (hereinafter referred to as end user initiated); or 2) directly from the long distance toll provider on behalf of the end user customer (hereinafter referred to as carrier initiated). End user initiated PIC changes are submitted and processed via a service order to Verizon through direct contact between the end user and a Verizon Customer Contact Centers representative[1]. Carrier initiated change requests are submitted and processed utilizing the Customer Account Record Exchange (CARE) methodology. To perform the CARE process, one of two systems will be used: 1) Xpress Electronic Access (XEA), former Bell Atlantic (fBA) or 2) Subscription Services (SS), former GTE (fGTE).

Carrier initiated PIC change requests may be submitted to Verizon by utilizing one of the following media types:

1. WEB-Online – This media allows the long distance toll provider the option to enter and submit PIC change requests via an on-line screen. This media utilizes an Internet based connection. The PIC change request will be processed directly into the CARE processing systems in a near real-time mode. The results of the transaction will appear on the screen for the carrier to view as well as a CARE notification sent back via the carrier's normal CARE medium. For example, a carrier utilizing NDM as the normal means of transmitting and receiving CARE notifications submits an on-line PIC change request, the carrier would receive an instant on-line notification of the submission success or failure as well as notification via NDM.
2. Electronic Bonding (EB) – This media allows the long distance toll provider the option to enter PIC change requests directly into the CARE processing system utilizing an electronic gateway. This gateway is a direct portal in which the long distance toll provider can submit individual PIC orders throughout the day (submission is at the long distance toll provider's discretion). All incoming and outgoing responses to/from the long distance toll provider will be transmitted in this same manner. The EB process is accomplished in a near real-time mode and available in the fGTE operating companies.
3. Tape –This media allows the long distance toll provider the option to submit PIC change requests on a reel-to-reel tape or a cartridge. The tape/cartridge is mailed to a Verizon tape-processing library[2]. The inbound tapes are received by the

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[1] The Verizon Customer Contact Center representatives type PIC change requests directly into an order entry system. The service order system in fBA is called the Service Order Processor (SOP) and the fGTE system is the National Ordering and Collection Vehicle (NOCV). The customer contact centers are referred to as Customer Sales & Solution Center (CSSC), BSC Business Solution Center (BSC), and Enterprise Solution Group (ESG).

[2] The five processing centers are located in Richmond, Virginia; Massapequa, New York; Sacramento, California; Fort Wayne, Indiana; and Tampa, Florida. There are approximately 46 carriers utilizing this medium.

library, mounted on tape drives by the computer attendants and the actual PIC change requests are then collected and read into the CARE processing system.

4. Electronic File Transfer – A long distance toll provider can submit PIC change requests in a batch file over a dedicated circuit that connects directly to Verizon's CARE processing centers. Once the PIC change requests files are received, they read into the CARE systems mechanically without manual intervention.

5. Paper – The long distance toll provider can submit a paper request (fax or mail) directly into one of three Equal Access Point of Contact (EAPOC) centers[3]. The EAPOC representatives review the mailed or faxed PIC change requests for all required fields needed to input the request. If any of the required fields are missing, the request is rejected back to the submitting carrier. If all the required fields are included on the mailed or faxed request, the EAPOC representatives type the paper PIC change requests directly into the CARE processing system.

The above-mentioned media types are used to receive PIC change requests as well as to respond to the submitting long distance toll provider. For PIC change requests received via a service order resulting from direct contact with the End User, these same media types, with the exception of WEB-Online, will be used to send notification to the long distance toll provider. The sharing of information between the long distance toll provider and Verizon, the LEC, is performed utilizing the CARE standard format established by the telecommunications industry under the guidance of the Subscription Sub-Committee of the Ordering and Billing Forum (OBF). The Subscription Sub-Committee consists of representatives from all segments of the Telecommunications industry.

The following steps outline the process flow of a long distance toll provider initiated PIC change and give a brief description of how XEA or SS processes a service order and notifies the long distance toll provider of an end user initiated PIC change.

STEP 1. PIC change requests are received, collected and processed by Xpress Electronic Access (XEA) or Subscription Services (SS) multiple times throughout each day. As each PIC change request is processed, it is edited for both format and content. Upon completion of the edits, a response is generated to the submitting long distance toll provider for one of the following reasons:

-   **1A. Positive Confirmation** – This response is sent to the long distance toll provider indicating the successful completion of the CARE edits and that the PIC change request will now be passed downstream to the switch and for system updates.
-   **1B. Rejection** – This response is sent to the long distance toll provider indicating the unsuccessful processing of the PIC change request. This notification will advise the long distance toll provider of the specific reason for the reject.

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[3] The EAPOC centers are located in Pittsburgh, Pennsylvania, Boston, Massachusetts and San Angelo, Texas.

End user initiated PIC changes submitted via a service order are collected and processed by XEA or SS upon completion of the service order editing process. Due to edits within the service order system, XEA or SS will only receive those service orders for PIC changes that are completed with no errors. All errors that occur within the service order process are resolved prior to being sent to XEA or SS.

STEP 2. PIC change requests that successfully pass the edits within XEA or SS will be sent to the switch for updating[4]. XEA or SS will wait on a response from the switch as to whether the update to the switch was successful. This step is necessary to ensure the long distance traffic is routed over the proper long distance toll provider's network. This notice will indicate one of two situations.

- **2A.** Notification from the Switch that the update was successfully made.
- **2B.** Notification from the Switch that the update could not be made and subsequent attempts will be made through the mechanized switch interface. In the event that the mechanized updates cannot be applied, the PIC change request will be passed to a group where the update will be made manually.

For service order activity initiated by the end user and processed by the Customer Contact representative, neither XEA nor SS is responsible for updating the switch. End User initiated requests are typed into and edited by the service order systems[5]. Orders passing the service order system's edits will flow to the switch for processing or to the to the pending order file until the due date of the request. If the order does not pass the service order edits, the orders are returned to the representative for correction and re-submission.

XEA or SS will receive notification as to whether or not the switch was updated successfully on end user initiated PIC change requests. As with 2A and 2B above, XEA or SS will use this information to determine what value to populate on the notification that will be sent to the long distance toll provider on the PIC change activity. The process identified in Step 4, items 4A and 4B below will apply for sending the actual notification.

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[4] MARCH (Memory Administration Recent Change System) is the final system in fBA that a PIC change goes through to update the carrier on the customer's line in the switch (STARMEN if the fGTE system). All PIC change orders (Express, Business Office, Residence Office, XEA, etc.) pass through MARCH to the switch. When the order is received by MARCH/STARMEN, in most cases it flows to the switch without human contact (manual intervention). In some cases, however, if the service requesting the PIC change is complex (ISDN, Centrex, P set, K set, etc.) a Translations Administrator must manually complete the transaction. This takes approximately 4 minutes per transaction to either input manually or correct the original input that failed in the switch. Sometimes this involves some background investigation and/or checking other systems. MARCH also sends a POSACK message (Positive Acknowledgment) back to the carriers via XEA.

[5] Service order entry systems are Direct Order Entry (DOE) and Express Trak for fBA and NOCVand COFEE for fGTE.

STEP 3. Once the PIC change request has successfully passed the edits within XEA or SS, the PIC change request is successfully been completed at the switch, this information is then passed to all downstream systems impacted by the change. These would include but may not be limited to the Billing, Service Order and the Inventory Systems. These systems are then updated with the new PIC information.

- **3A. Billing** – The PIC change update is passed to the Billing system[6] to ensure the end user customer is billed the appropriate rates for the change in the long distance toll provider. The carrier may elect to pay the PIC change charge on behalf of the end user customer. In this instance, the billing information must also be routed to the Customer Access Billing System (CABS). Billing also has the responsibility of sending a notification to the end user customer, on his or her next bill, that the PIC change has taken place, when the PIC change actually occurred and the name of the previous and new long distance toll providers.
- **3B. Service Order** – The PIC change update is passed to the Service Order system to ensure the end user customer's account information is updated and reflects the current PIC information for the end user.
- **3C. Inventory System** – The PIC change update is passed to the Switch/Assignment Inventory systems for proper maintenance of the Switch and proper assignment of Working Telephone Numbers (WTNs). For example the Assignment Activation and Inventory System (fGTE) supports recent change activity and contains PIC and switch information on each WTN.

With service order processing, there are edits that have to be completed before the PIC change request is passed to the downstream systems. These edits however are within the service order process prior to being passed to XEA or SS. As described in Step 1, only completed, error free service orders are passed to downstream systems. Once the service order is passed downstream, the systems listed in Step 3 are updated with the new PIC change information.

STEP 4. XEA or SS will send the long distance toll provider of record notification as to the status of the Switch update attempt, upon receiving notification from the switch. This status will indicate one of two things.

- **4A.** XEA or SS will send a notice to the long distance toll provider with the actual date and time of the update, if the Switch was updated successfully. This is an indication to the long distance toll provider that the Switch has been updated to reflect their company.
- **4B.** If the Switch was not updated successfully and will be updated either through the mechanized Switch interface or through a manual process, XEA or SS will send a notice to the long distance toll provider with only a date. This date will signify the day the attempt was made to the Switch and the fact

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[6] Updates are sent to the following billing systems: CRIS/ICRIS/BOSS/CBSS.

that the update will now be made by the switch interface process or the manual-handling group.

The PIC change process is can be initiated by the end user or by a carrier on behalf of the end user. Although the entry into Verizon (fGTE and fBA) may differ the processes are similar.

CUSTOMER CONTACT INFORMATION
SYSTEMS/SERVICE ORDER PROCESSING SYSTEMS

ACG (Access Customer Gateway) supports timeline activity within Subscription Services.

AAIS (Assignment Activation and Inventory System) supports recent change activity and contains PIC and switch information for individual customer accounts.

AMS (Activation Management System) supports VZ LD PIC processing activities.

BASOTS (Bell Atlantic Service Order Transmission System) mechanically receives and creates service orders daily for Direct Marketing sales channels, which includes the DM Centers, and Non-Traditional Bell Sales Channels (Retail, Inbound and Outbound vendors).

BOSS (Billing and Ordering Support System) supports and displays end user customer account information. It provides a summary of all services on the telephone subscriber's account during billing inquiries.

CABS (Carrier Access Billing System) supports and processes carrier account information. It produces bills for Access Services & Billing and Collection Service charges.

CABS I (Carrier Access Billing System) supports and processes carrier account information. It produces bills for Access Services & Billing and Collection Service charges in the West.

CABS II (Carrier Access Billing System) supports and processes carrier account information. It produces bills for Access Services & Billing and Collection Service charges. CLEC billing is processed in the CABS II system in the North.

CBSS (Customer Billing Service System) supports and displays end user customer account information. It provides a summary of all services on the telephone subscriber's account

CFPD (Common Format Print & Delivery) supports and format end user bill print information.

Common DOE provides an on-line entry of the telephone subscriber's service requests.

COFFEE accepts on-line entry of service request information from consumer customers, updates customer record and delivers data to service request processing systems for implementation.

CRIS (Customer Record Information System) records, sorts, edits and rates service requests.

Customer Account Databases updates customer account records and other databases to ensure proper processing of messages.

ICRIS (Inquiry Customer Record Information System) supports and displays end user customer account information. It provides a summary of all services on the telephone subscriber's account.

DBAS (Database Administrative System) is a front-end system to LIDB (Line Information Data Base) used for call processing.

DDR (Desktop Documentation and Reference) provides valid carrier list to support end user service negotiation and provisioning activities.

DOE (Direct Order Entry) provides an on-line entry of the telephone subscriber's service request.

ECPC provides customer contact and billing support service order formatting for NOCV and other downstream systems.

Express Trak (Service Express, Input Manager, Billing Express) is a billing, ordering and provisioning system.

I-LinQ provides a front-end tool for ordering and provisioning ISDN service for Business customers.

IMOSS interfaces with Service Order Processors in the provisioning of ISDN service.

Input Manager updates the customer service record (CSR).

LDDC (Long Distance Data Center) supports and stores VZ Long Distance service order information for consumers. It also tracks Optional Calling Plans, promotions, preferred carrier changes and other related toll impacting activities.

LiveWire supports end user service negotiation and provisioning activities (Service Delivery and Service Assurance). The Service Delivery functionality provides the Business Office with the telephone number, service address, and the date due information to accurately format service orders. Service Delivery also includes the activation of

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single-line residence service requests over pre-provisioned, dedicated facilities. The Service Assurance functionality includes the identification and repair of loop troubles prior to the awareness of network problems by the customer.

Local EAMI (Equal Access Mechanized Interface) receives and sends preferred carrier change request information submitted via XEA and/or the service order system to update the Customer Service Records. It sends completed order information to XEA for creation of the CARE notification to access toll providers.

MACSTAR/CDS/CSR are vendors-provided systems that allow Centrex customers to provision and rearrange their own lines.

MARCH (Memory Administration Recent Change System) accepts input from SOAC, Live Wire and Switch Manager. It interprets the preferred carrier change information and formulates the specific message that is sent to the switch.

MDW (Marketing Date Warehouse) serves as a repository for customer account information.

MDS (Market Development System) allows Market and Product Managers to have simple, easy-to-use access to a wide variety of Verizon customer, product, and usage information used for product analysis, tracking, and regulatory reporting functionality. MDS enables access to large volumes of LOB-specific customer, product, and usage data on-line, in an ad hoc mode. MDS also provides the ability to create customer contact lists.

MPS (Message Processing System) processes local and toll call messages and enables routing to appropriate carriers.
>   RAMA, - Regional Automated Message Accounting,
>   BAUI - Bell Atlantic Usage Interface
>   CMDS - Centralized Message Database System

MISOS (Minimal Input Service order System) creates the service order which is the first step in processing a telephone subscriber's service request.

MSOG (Mechanized Service Order Processor) creates and updates mass changes to customer service records.

MTAC (Mechanized Treatment and Collection) generates service orders for preferred carrier changes. It also adds or removes VZ Optional Calling Plans and billing treatment and collection processes.

NOCV (National Order and Collection Vehicle) enables service request information to be properly accepted, formatted and validated for provisioning.

NSS (NYNEX Subscription System) validates preferred carrier change requests from carriers and those received from service order/request entry systems.

PAMS (Profitability Marketing System) supports Pay Phone service and creation of ad hoc reports.

PCIRS (Public Communications Information Retrieval System) supports Pay Phone service requests

PSI (Product Service Infrastructure) supports valid carrier list, NPA/NXX tables and other related service data.

RCMAC (Recent Change Memory Administration Center) receives and processes change orders.

RESI-DOE (Residential Direct Order Entry) provides an on-line entry of the telephone subscriber's service request.

SAGE provides and supports service order activities.

SAP (Systems Application Product) is a system used to bill ancillary services.

Service Express accepts entry of service request information on-line from end-user large business customers, updates customer record and delivers data to service request processing systems for implementation.

SEFS (Service and Equipment Files System) maintains all customer account activities since the last billing cycle.

SOI (Service Order Interface) provides and interface to service order systems.

SSNS (Sales Service Negotiation System) accepts on-line entry of service request information from consumer and small business customers, updates customer record and delivers data to service request processing systems for implementation.

STARMEN accepts and formats service order requests for MARCH

Switch Manager accepts and formats service order requests for MARCH.

SOAC (Service Order Activation Controller) takes information from MISOS, SOP/DOE and SOACS and passes that information to the appropriate Network systems for processing.

SOACS (Service Order Administration Control System) provides an on-line entry of the telephone subscriber's service request.

SOP (Service Order Processing) enables service request information to be properly accepted, formatted and validated for provisioning.

STARMEM provides on-line preferred carrier verification status for consultants.

TTMS (Tele Tech Marketing Systems) feeds information to BASOTS (a Direct Marketing System).

TIRKS (Trunk Integrated Record Keeping System) network support system.

WFA (Work Flow Administration) is a network support system.

Wizard/I-LINQ is a front-end interface to the IMOSS system for residential ISDN users.

XEA (Express Electronic Access) validates PIC data received electronically from access carriers and service order entry systems by jurisdiction and submits valid requests to Switch Manager. It also sends appropriate electronic notification to access carriers.

XREF supports Pay Phone service requests.

Service Order Initiated PIC Requests - Verizon East

Business Office

#1 End user contacts business office for a PIC request or account change.

#2 The business office rep writes an order in SOP to select a PIC(s), either new or a change.

#3 Service order passes SOP edits? (online)

YES

#4c SOP processes service order.

#7a SOP completes service order processing.

NO

YES

Access Customer (AC)

#5 Pending TCSI sent to AC based on service order passing edits.

Yes

#10 Confirmation TCSI sent upon completion of switch update or completed service order..

#12 Confirmation TCSI sent to AC after EAPOC edit failure corrections.

CARE/XEA

#4a

#9 Does the TCSI pass CARE edits? #10

YES

XEA Database

Central Office Switch

#4b

NO

#6 Switch

#7 Send results of switch update to Switch Manager

#8

MARCH (Switch Interface)

Switch Interface

EAPOC (Equal Access Point Of Contact)

#11 The EAPOC works the Qaulity edit failures

CRIS/Expresstrak (Billing System)

#7b Completed SOP service order received for billing

Service Order Initiated PIC Requests – Verizon East

1. End User contacts Business Office and requests a PIC change.

2. Business Office Representative enters Service Order into the Service Order Processing System (SOP) to change PIC.

3. The Service Order must pass edits in the ordering system before proceeding. If the Order passes all edits the pending order is sent to XEA. The order continues on its way through the system to be completed. If the order fails edits, the order is returned for correction.

4. If the order passes edits:
    a. The pending order is sent to XEA
    b. The pending order is sent to switch interface (MARCH).
    c. SOP processes the order to other downstream systems.

5. A pending TCSI is sent to the AC from XEA.

6. The switch interface sends a request to the switch for updating the PIC.

7. The switch sends the completed update to the switch interface.

7a. The completed service order is sent to XEA after the switch is updated.

7b. The completed service order is sent to the billing system for billing the PIC change charge.

8. The switch interface sends the update notification to XEA.

9. A "quality" edit check is completed against the XEA created record to ensure appropriate fields are populated on the TCSI.

10. TCSIs that pass edits are sent as confirmation records to the AC.

11. TCSIs that fail edits are sent to the Equal Access Point Of Contact (EAPOC) center for resolution.

12. EAPOC corrected confirmation TCSI records are sent to the AC.

SERVICE ORDER INITIATED PIC REQUESTS - VERIZON WEST

Business Office

#1 End user contacts business office for a PIC request or account change.

#2 The business office rep writes an order in NOCV to select a PIC(s), either new or a change.

#3 Service order passes NOCV edits? (online)

YES

YES

NO

#4 Pending Order File (POF)

#5 ECPS Lite receives completed error free orders from POF

Records only orders update SS, Change orders update the switch and SS.

Access Customer (AC)

#7 Receive and process confirmation TCSI codes

CARE/SS

#6 CARE Database

Send TCSI to AC

SS updated daily with 5601 file

Daily file

Central Office Switch

Time Stamp

#8 Attempt switch update on AAIS request

#9 Switch

#10 Send results of switch update to AAIS

#11 AAIS Database

Only service orders which require switch provisioning

#12 Send MSI error report to the RCMAC (ISDN-BRI and Centranet can not be handled via AAIS)

#13 Was switch updated?

YES

NO

#14 Receive results of switch update to AAIS

#15 Done

YES

CBSS (Billing)

#16 CBSS Database

Update CBSS via 5601 file daily.

NOTD

#17 ISDN PRI/Switch Work

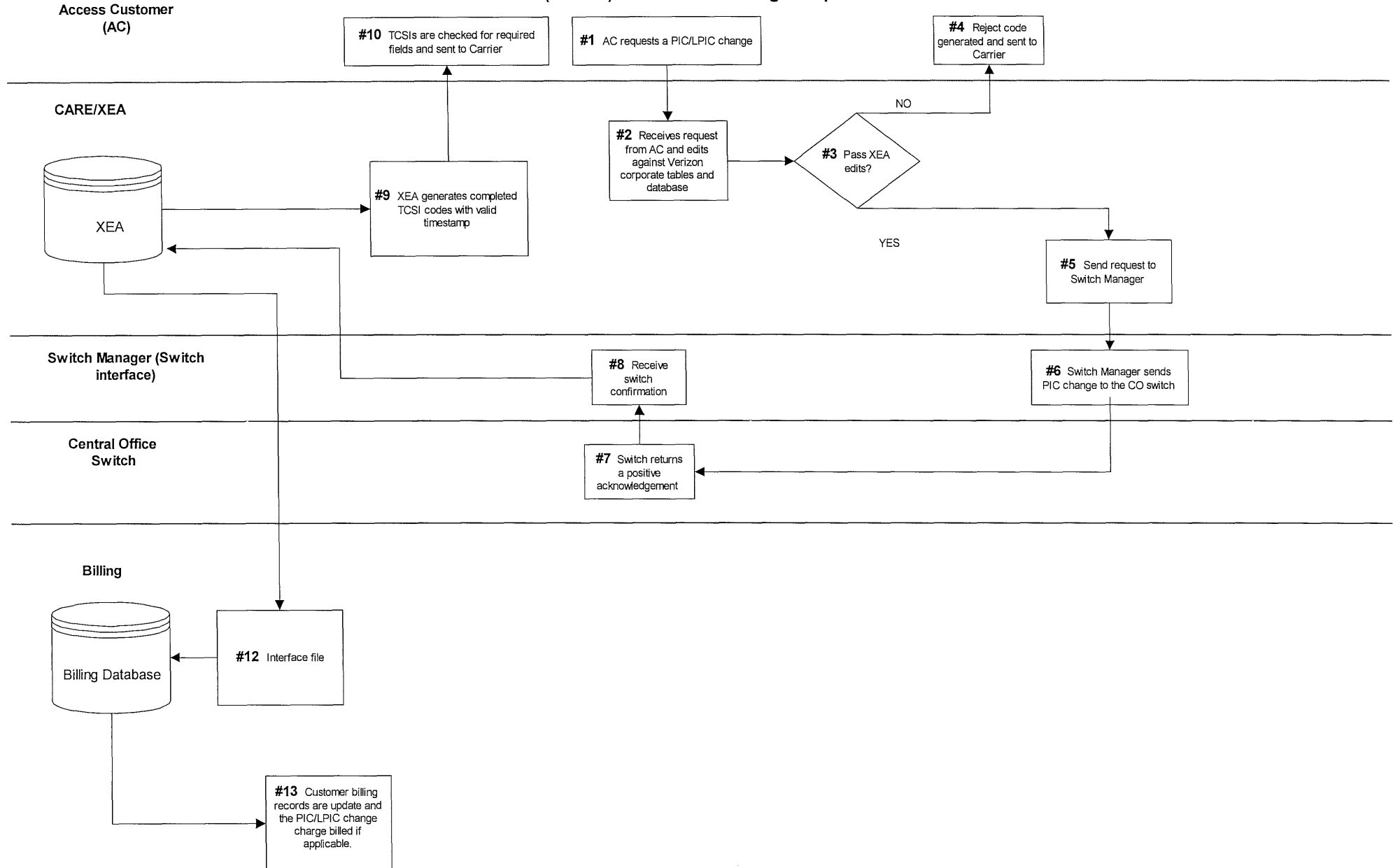**#18** RCMAC works error report manually

Subscription Services Service Order Flow Through – Verizon West

1. End User contacts Business Office and requests a PIC change.

2. Business Office Representative enters Service Order into the Ordering System to change PIC.

3. The Service Order must pass edits in the ordering system before proceeding. If the order fails an edit it is returned for correction. If the Order passes all edits the order is passed to the line and directory number assignment system (AAIS) to update the database.

4. The Service Order is passed to the pending order file and AAIS until the due date of the order. AAIS will update the switch through the recent change process.

5. The completed Service Orders are released to billing to ensure proper billing and updating the Customer Service Record (CSR). These orders are also sent to the PIC processing system (CARE/SS) to update the SS database.

6. CARE/SS receives the completed Service Orders and updates the SS database as well as sending a CARE notification to the AC's involved in the PIC change.

7. The Access Carrier will receive notification of the End User PIC change from CARE/SS.

8. The line and directory number assignment system will attempt to update the switch through recent change.

9. The switch is updated with the PIC change.

10. The switch sends the results of the switch update back to the line and directory number assignment system

11. The line and directory number assignment system will update it's database with all Service Order information and attempt to updates the switch on those that require a change in the switch. AAIS will also send CARE/SS a file with all switch updates, that will include a time stamp.

12. If the switch update fails, an error report is sent to the RCMAC for correction and manual updates.

13. AAIS determines whether or not the switch was updated.

14. AAIS receives the results of the switch update. If the update was unsuccessful a transaction is sent to the RCMAC for manual correction.

15. If the switch was updated successfully, no further action is required.

16. The End User Billing System (CBSS) receives the completed service orders and updates the billing database.

17. The Network Operations Translations Design is responsible for those PIC changes that require a translation change in the switch. These changes come from the line and directory number assignment system and the RCMAC.

18. The RCMAC will manually update the switch on errors that were identified by AAIS as well as any ISDN or CentraNet lines that do not require translation changes in the switch. Those requiring translation changes are sent to the Network Operations Translations Design group for processing.

Access Customer (Carrier) Initiated PIC Change Requests - Verizon East

Access Customer (AC)

#10 TCSIs are checked for required fields and sent to Carrier

#1 AC requests a PIC/LPIC change

#4 Reject code generated and sent to Carrier

CARE/XEA

NO

#2 Receives request from AC and edits against Verizon corporate tables and database

#3 Pass XEA edits?

XEA

#9 XEA generates completed TCSI codes with valid timestamp

YES

#5 Send request to Switch Manager

Switch Manager (Switch interface)

#8 Receive switch confirmation

#6 Switch Manager sends PIC change to the CO switch

Central Office Switch

#7 Switch returns a positive acknowledgement

Billing

Billing Database

#12 Interface file

#13 Customer billing records are update and the PIC/LPIC change charge billed if applicable.

Interexchange Carrier Initiated PIC Change Requests - Verizon East

1. Assess Customer (AC) enters a PIC change request directly into XEA via the on-line screen, by paper through the Equal Access Point of Contact (EAPOC) center or by a batch file, which is validated and loaded for processing.

2. Processing begins with each request being edited by XEA (Xpress Electronic Access), which is the Verizon CARE system. The edits check for validity of the Billing Telephone Number, Working Telephone Number, ACNA/CIC, restrictions, duplicates and freeze conditions by referencing Verizon corporate tables and database.

3. A determination is made by XEA whether or not the request passes the edits and is either rejected back to the AC or sent to the Switch for the PIC/LPIC change.

4. If the request fails, it is rejected back to the Carrier with the appropriate 21xx or 31xx reject code.

5. If the request passes the edits, it is sent to Switch Manager for the PIC/LPIC change.

6. Switch Manager sends the request to the Switch for the physical change to take place.

7. The Switch returns a positive acknowledgement with a completed date and timestamp to Switch Manager.

8. Switch Manager passes that confirmation back to XEA.

9. XEA generates a completed notification record to the Carriers involved (20xx code to the gaining AC and 22xx code to the losing AC).

10. A Quality Check Program reviews the record to verify all "required" fields are populated. If it passes, the records are sorted according to Carrier and transmission type and then sent to the Carrier.

11. Once the Carrier has been notified, internal records must be updated and the PIC/LPIC change charge billed, if applicable.

12. XEA sends the completed PIC/LPIC change record on an interface file to ExpressTRAK, Local EAMI, MTAC or NY CRIS.

13. Completed orders are generated and sent to update the CRIS or ExpressTRAK database or a direct update is entered in the database.

Access Customer (Carrier) Initiated PIC Change Requests - Verizon West

Access Customer (AC)

#15 Receive and process confirmation TCSI codes

#1 AC sends PIC Change requests to the AP via NDM, EBSS, SSweb, Direct connect, Paper/mail/FAX, Tape

#4 Receives reject TCSI codes (21xx, 31xx)

#7 Receive and process confirmation TCSI codes

CARE/SS

CARE Database

→ **#16** confirmed PIC

#14 Update SS data and send confirmed TCSI code to AC, with time stamp if switch was updated, with zero time stamp if switch not updated

ICX runs twice a day, 10pm and 12pm

#2 Receives CARE records from the AC and edits against the CARE/SS database.

#3 Pass SS edits?

NO

YES

#5 PIC Change?

NO

#6 Send Confirmation TCSI codes to AC (response to 05XX, 07XX)

YES

#8 Send request to Starmem

ICCLIENT- runs 3 times per day, 365 days a year (330am, 2pm, 7pm MF to SS)

Starmem (Switch interface)

#13 Send switch update results to SS

#12 Receive switch update results

#9 Receives PIC change request and sends to the CO switch

Central Office Switch

#11 Send results of switch update to Starmem

#10 Attempt switch update from Starmem request

#21 Attempt switch update on AAIS request

#22 Send results of switch update to AAIS

AAIS (Switch inventory)

AAIS Database

confirmed PIC

#16

9360 file daily

#17 Records Pass Edits?

Yes

No

EQA Report

#18 Database updated on all requests including those where Starmem updated the switch

#19 Need to update switch via AAIS?

Yes

No

#20 Send update to switch on those not updated by SS

#23 Receive results of switch update to AAIS

Done

YES

NO

#24 Was switch updated?

#25 Send MSI error report to the RCMAC

No

CBSS (Billing)

#16

9320 file daily

#16a Confirmed PIC request

#16b Customer billing records are updated & sent to NOCV to update the end user customer profile.

RCMAC (Recent Change Mechanized Assignment Center)

#26 RCMAC works error report manually

Interexchange Carrier Initiated PIC Change Requests - Verizon West

This document is to be viewed in conjunction with the flow chart of the same title.

#1   Access Customer (AC) submits a PIC change request, for all jurisdictions or an individual jurisdiction, by way of several electronic methods, Tape, or via paper through the Equal Access Point Of Contact (EAPOC) center.

#2   The PIC request is received at Verizon's Subscription Services (SS) system and is processed against edits established in the system.

#3   A determination is made by SS whether or not the request passes designated system edits and is either sent back to the AC (edit failure) or moves further down the process flow.

#4   For edit failures the AC receives a reject transaction record that explains the reason for the request rejection.

#5   For records that pass edits within SS the system determines what type of request is being made by the AC (in this process flow example the request involves a PIC change).

#6   SS processes non-PIC change related requests, such as PIC verification and Billing Name and Address requests, and sends the appropriate record to the AC.

#7   The AC receives the non-PIC change record.

#8   SS sends PIC change requests to a switch interface to perform the PIC change in the switch.

#9   The switch interface receives the PIC change request from SS and sends the PIC change request to the switch.

#10   The switch interface attempts to change the PIC in the switch based on the request from SS.

#11   The switch sends the PIC change update results to the switch interface.

#12   The switch interface receives the update results from the switch.

#13 The switch interface sends the switch PIC change results to SS with the time stamp field populated with zeros (PIC change not made in the switch) or a valid time (PIC change made in the switch).

#14 The SS system receives the PIC change results from the switch interface and updates the SS database.

#15 The AC receives the confirmation record from SS (through the AC designated media type). For SS WEB, the AC representative will receive a notification via the GUI and through their choice of media.

#16 The confirmed PIC change record is sent by SS to the switch inventory system and the billing system.

#16a The billing system receives the update from SS.

#16b The billing system updates it's databases and sends updates to the ordering system.

#17 The switch inventory system performs edits on the data from SS (edit failures are sent to a manual resolution center).

#18 The switch inventory system adds non-edit failures from SS and updates it's database.

#19 The switch inventory system determines if the switch still needs to be updated, if not the process is complete.

#20 The switch inventory system sends updates to the switch for those records not updated by SS.

#21 The switch inventory system attempts to update the switch with the PIC change received from SS.

#22 The switch sends the results of the PIC change update to the switch inventory system.

#23 The switch inventory system receives the results from the PIC change request from the switch.

#24 The switch inventory system determines if the switch was updated, if yes then the process is complete.

#25 If the switch inventory system receives results that indicate the switch was not updated then a file is sent the manual resolution center.

#26 The manual resolution center works the switch not updated (MSI) report and switch inventory system error (EQA) report until completion.